

Senate Bill No. 1380

Passed the Senate August 22, 2006

Secretary of the Senate

Passed the Assembly August 17, 2006

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2006, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Sections 25242 and 25243 to the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 1380, Chesbro. Alcoholic beverages: California county wine.

Under existing law, the Department of Alcoholic Beverage Control regulates the licensing, enforcement, and administration of the alcoholic beverage control laws.

This bill would prohibit the sale of wine produced, bottled, or labeled after December 31, 2008, in this state that identifies, in a brand name or otherwise, on any label, packaging material, or advertising, the name "Sonoma," unless the wine meets certain federal regulatory standards, as specified. This bill would not prohibit the use of a brand name, or otherwise, which was the name of the winery owner as established prior to 1950. This bill would not apply to a multicounty appellation, as specified.

The people of the State of California do enact as follows:

SECTION 1. Section 25242 is added to the Business and Professions Code, to read:

25242. (a) (1) The Legislature finds and declares that for more than a century, certain California counties have been widely recognized for producing grapes and wine of the highest quality. Both consumers and the wine industry associate the names of those counties with the distinctive wine produced from grapes grown within those counties. If producers were to use the names of these counties on labels, for packaging materials, and in advertising for wines that are not made from grapes grown in the designated counties, consumers may be confused or deceived by these practices.

(2) It is the intent of the Legislature to assure consumers that the wines produced or sold in the state with brand names, packaging materials, or advertising that mention or refer to these

California counties, in fact accurately reflect the origin of the grapes used to make the referenced wine.

(b) (1) No wine produced, bottled, labeled, offered for sale or sold in California shall use, in a brand name or otherwise, on any label, packaging material, or advertising, the name of viticultural significance listed in subdivision (c), unless that wine qualifies under Section 4.25 of Title 27 of the Code of Federal Regulations for an appellation of origin that is either Sonoma County or a viticultural area lying entirely within Sonoma County and includes that appellation of origin on the label, packaging material, and advertising for the wine.

(2) Notwithstanding paragraph (1), this subdivision shall not grant any labeling, packaging, or advertising rights that are prohibited under federal law or regulations.

(c) The following name is of viticultural significance for purposes of this section:

(1) Sonoma.

(2) Any similar name to that in paragraph (1) that is likely to cause confusion as to the origin of the wine.

(d) The appellation of origin required by this section shall meet the legibility and size-of-type requirements set forth in either Section 4.38 or Section 4.63 of Title 27 of the Code of Federal Regulations, whichever is applicable.

(e) Notwithstanding subdivision (b), any name of viticultural significance may appear either as part of the address required by Sections 4.35 and 4.62 of Title 27 of the Code of Federal Regulations, if it is also the post office address of the bottling or producing winery or of the permittee responsible for the advertising, or as part of any factual, nonmisleading statement as to the history or location of the winery.

(f) The department may suspend or revoke the license of any person who produces or bottles wine who violates this section. Following notice of violation to the person in possession of the wine and a hearing to be held within 15 days thereafter, if requested by any interested party within five days following the notice, the department may seize wine labeled or packaged in violation of this section regardless of where found, and may dispose of the wine upon order of the department. From the time of notice until the departmental determination, the wine shall not be sold or transferred.

(g) This section applies only to wine which is produced, bottled, or labeled after December 31, 2008.

(h) This section does not pertain to the use of a brand name, or otherwise, which was the name of the winery owner as established prior to 1950.

SEC. 2. Section 25243 is added to the Business and Professions Code, to read:

25243. No provision of this article shall preclude a wine from using, on any label, packaging material, or advertising, either (a) a truthful, nonmisleading appellation of origin that complies with Section 4.25(c) of Title 27 of the Code of Federal Regulations governing multicounty appellations, or (b) a truthful, nonmisleading statement as to the geographic location of the wine's stated appellation or appellations of origin which is located in not more than two counties, for which the wine qualifies under applicable federal law, or both the appellation of origin and the statement of geographic location; provided that the label, packaging material, or advertising contains no other use of a name of viticultural significance, in a brand name or otherwise, that is prohibited by Section 25241 or 25242.

Approved _____, 2006

Governor